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DIRECTORATE OF
INTELLIGENCE

Central Intelligence Bulletin

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REF ID: A66541
C 214
6 March 1968

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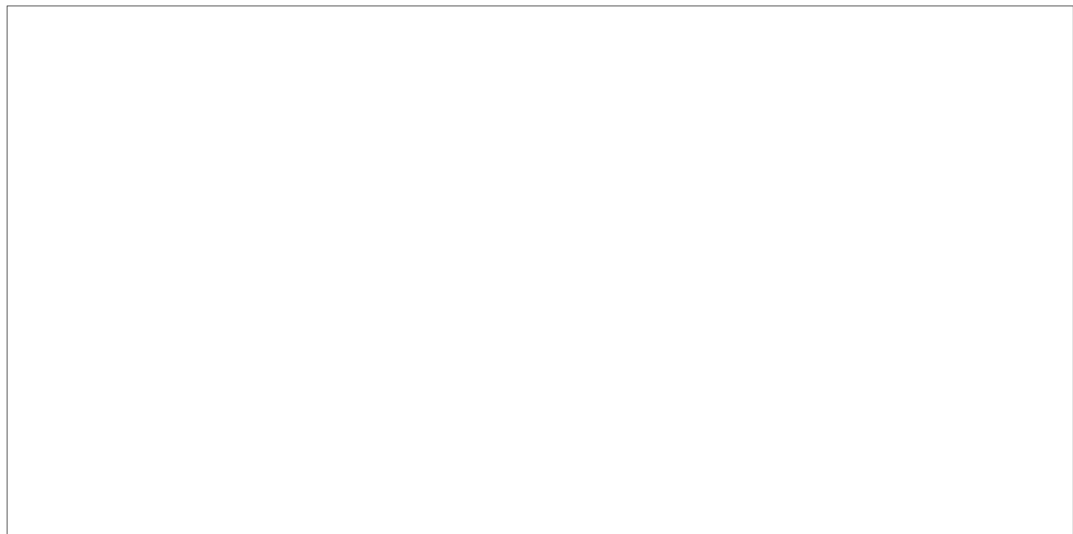
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6 Mar 68 CENTRAL INTELLIGENCE BULLETIN Map

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*South Vietnam: The Communists launched mortar and rocket attacks in widely scattered areas for the second consecutive night on 4-5 March.

The heaviest attacks came in the III and IV Corps areas where over 20 separate mortar and rocket barrages hit provincial capitals, military headquarters, and Revolutionary Development compounds. At last report, fighting was still going on near Ca Mau city, the capital of An Xuyen Province, where Viet Cong troops followed up a 400-round mortar attack with an infantry assault.

The enemy also struck several points in the central highlands. South Vietnamese forces reported inflicting heavy losses on the Communists while beating back two ground assaults in Binh Dinh and Phu Yen provinces along the central coast.

Although far below the intensity of the Tet offensive, the latest series of actions has generally followed a similar pattern--the first night's activity in the northern half of the country, and the second in the southern half.

In the northern part of the country, [REDACTED] shift by the North Vietnamese 320th Division into the northeastern section of Quang Tri Province. This movement fills a vacuum created when the North Vietnamese 324B Division moved south earlier this year. The 320th is in a position to threaten vital allied supply routes which extend from the Dong Ha - Cua Viet area north to Gio Linh, Con Thien, and other allied bases along the Demilitarized Zone.

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[REDACTED] one of the regiments of the North Vietnamese 304th Division may be moving south from the Khe Sanh area towards the A Shau Valley. Late last week another regiment involved in the build-up around Khe Sanh was located near Hue over 50 miles to the southeast.

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In a preliminary assessment, the US Embassy in Saigon finds that the Tet offensive not only inflicted extreme damage on the industrial facilities and the transportation and communications system in the South Vietnam, but also dealt a serious blow to business confidence. According to the embassy, there has been an almost complete cessation of investment planning, import activity is at a standstill, and numerous businessmen are leaving the country.

Trade between urban and rural areas in consumer goods and agricultural products, which increased markedly during the last year, dropped off sharply in the wake of the Tet offensive because the roads over which the trade moves are not secure. The Viet Cong had begun to step up their harassment of commercial traffic some three months before the Tet offensive, and it now appears that the interdiction of commerce to some of the main urban centers may be a major Communist objective.

US military authorities in Vietnam have evidence of the infiltration of over 20,000 troops during January 1968, the highest total in any single month in the year.

Detailed information on the identity of the troops involved has not yet been received; it is clear, however, that the bulk were members of the North Vietnamese 304th and 320th divisions which moved into the area of Khe Sanh and the Demilitarized Zone. Other forces, such as separate artillery units and a substantial number of replacement packets are also believed to have moved into the northern provinces of South Vietnam during January.

Moreover, when full evidence is in, infiltration during the last quarter of 1967--prior to the Tet offensive--may prove higher than is now known.

Total infiltration for 1967 is now estimated at 69,500.

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[REDACTED] Bucharest will hope to ward off Moscow's demands for unanimous approval of the US-USSR sponsored nonproliferation treaty. Rumania opposes the treaty in its present form and probably resents being put under duress from Moscow to approve it.

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Bucharest probably will be no more forthcoming on any new declaration on European security and the German question. Moscow, East Germany and Poland want to take a harder line against Bonn's eastern policy than Bucharest would like because of its recognition of West Germany. The Rumanians also will carefully review the wording of any resolution that implies their concurrence with Soviet policy on sensitive international Communist issues, such as Vietnam. [REDACTED]

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*Ecuador: Followers of two presidential candidates clashed in Guayaquil on 4 March, and further violence is likely before the election in June.

The groups involved were supporters of Camilo Ponce and the leading candidate, Jose Maria Velasco, whose erratic actions led to his ouster in three of his four previous presidential terms.

Velasco has announced that he will return on 9 March from his self-imposed exile in Buenos Aires.

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In a press interview on 5 March, Velasco accused interim President Otto Arosemena's administration of planning "electoral frauds" to defeat him.

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*Panama: Political tensions continue to rise as National Union (NU) leader Arnulfo Arias pushes for impeachment of President Robles.

In the absence of any conciliatory gesture from Robles to implement the compromise agreement reached early Monday, the Arias-controlled National Assembly is proceeding with its impeachment plans. A three-man commission appointed to investigate the charges of attempted manipulation of electoral machinery by Robles may issue its report today and request Robles to appear before the assembly for questioning.

The assembly may also vote on a date, no sooner than three days, to hear the commission's decision and to accept or reject the impeachment charges. If the accusations are upheld, Robles is required by the constitution to step aside in favor of the first vice president--an Arias supporter.

Meanwhile, Robles remains adamant in his refusal to make any compromise move. Both Robles and government candidate Samudio made a determined but unsuccessful effort yesterday to pressure National Guard Commandant Vallarino into dissolving the assembly. [REDACTED]

[REDACTED] the government may be preparing to take some action--possibly including a suspension of constitutional guarantees--to prevent the assembly from convening again.

Both sides appear to be preparing for trouble. Arias is calling for 5,000 supporters to gather when the assembly meets, and NU media in the capital have begun to issue inflammatory reports on the activities of pro-Samudio "hoodlums." Such action in the past has been responsible for stirring up public emotion and inciting violence.

Some disorders by partisans of both Arias and Samudio have already occurred and more can probably be expected. [REDACTED]

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